

# HEALTH CARE SPENDING AND QUALITY BENCHMARKS



STATE EMPLOYEE BENEFITS COMMISSION, DECEMBER 10, 2018

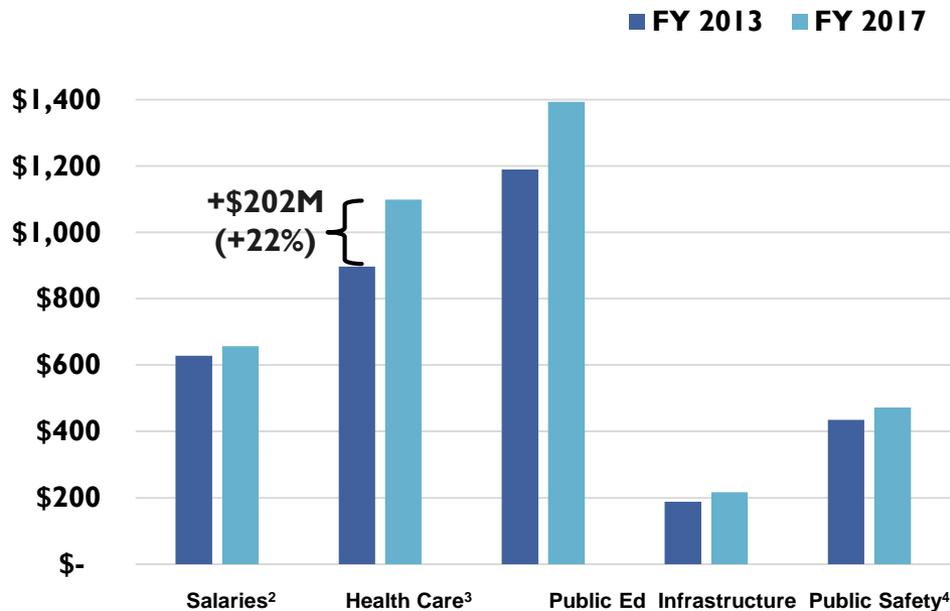
Kara Odom Walker, MD, MPH, MSHS  
Cabinet Secretary  
Department of Health and Social Services

# GOVERNOR SIGNS EXECUTIVE ORDER #25 ESTABLISHING HEALTH CARE BENCHMARKS



# STATE'S INCREASING HEALTH CARE COSTS

DELAWARE GENERAL FUND EXPENDITURES<sup>1</sup>, FY2013 VS. FY2017

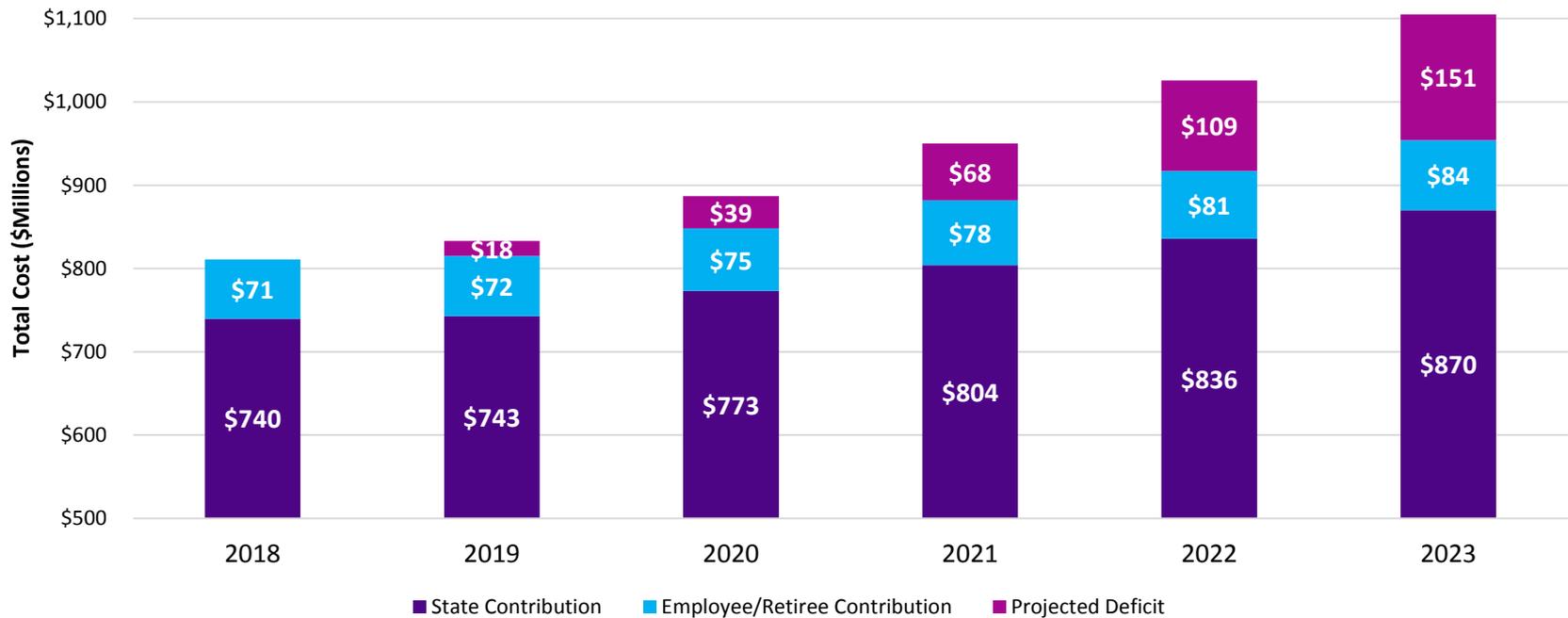


SOURCE: Delaware Office of Management and Budget; DEFAC Expenditure Reports.  
 1- Infrastructure funds reported from Transportation Trust Fund expenditures, not General Fund.  
 2- Salaries are not inclusive of public education salaries.  
 3- Healthcare includes employee health benefit expenditures and Medicaid expenditures.  
 4- Public safety expenditures include expenditures by DSHS, DOC, and Youth Rehabilitative Services (DSCYF)

- During this same time frame, General Fund revenue collection has grown by just 7.6%.
- Health care costs now account for about **30% of the state's budget.**
- **Crowds out necessary investments in:**
  - Salaries
  - Education
  - Infrastructure
  - Public Safety

# DELAWARE'S LONG-TERM HEALTH CARE COST PROJECTIONS

## GHIP Projected Cost



2018 based on final June 2018 Fund Equity report; FY19 projected expenses based on experience through FY19 Q1; FY19 enrollment as of September 2018; includes financial impact of legislative bills impacting GHIP (\$1.2m increase to FY19 and \$2.4m increase to FY20 projections); assumes no additional program changes in FY20 and beyond; assumes 2% annual enrollment growth for FY20-FY23; assumes 2% annual premium increase in FY20 and beyond; includes impact of 40% excise tax beginning CY2022; FY20-FY23 projections assume 5% composite trend (assumes 6% underlying trend less 1% for future GHIP cost reduction initiatives)



# HEALTH CARE SPENDING BENCHMARK

## HEALTH CARE SPENDING BENCHMARK

- On Nov. 20, Governor Carney signed Executive Order (EO) 25 in Wilmington.
- EO establishes a Subcommittee of DEFAC for setting the health care spending benchmark for calendar year 2019. Expected to be set in December and be between 3.8% and 4.0%.
- For subsequent calendar years, the benchmark will be:
  - 2020: 3.5% per capita Potential Gross State Product (PGSP) growth rate
  - 2021: 3.25%
  - 2022: 3.0%
  - 2023: 3.0%

## HEALTH CARE SPENDING BENCHMARK: DEFAC SUBCOMMITTEE

The membership of the Subcommittee will include:

- A Chair and Vice-Chair, both of whom shall be members of DEFAC and have health care expertise. Appointed by the DEFAC Chair.
- 3 existing members of DEFAC appointed by the DEFAC Chair.
- 2 members representing health economists, appointed by the Governor.
- 2 members representing quality improvement experts from 2 health care systems or hospitals, which operate in the state, appointed by the Governor.



# HEALTH CARE QUALITY BENCHMARK

# QUALITY BENCHMARK FOR EMERGENCY DEPARTMENT UTILIZATION RATE

Emergency Department Utilization Rate per 1,000 Commercial Patients  
Baseline and Goals



\*Adapted from NCQA Quality Compass

\*\*Delaware's baseline was derived from the weighted average performance of Aetna, Cigna, Highmark, and UnitedHealthcare. Weights were HEDIS 2018 enrollment by plan.

## QUALITY BENCHMARK FOR OPIOID-RELATED OVERDOSE DEATHS

308

overdose deaths in 2016

345

overdose deaths in 2017  
(double the deaths  
recorded 5 years earlier)

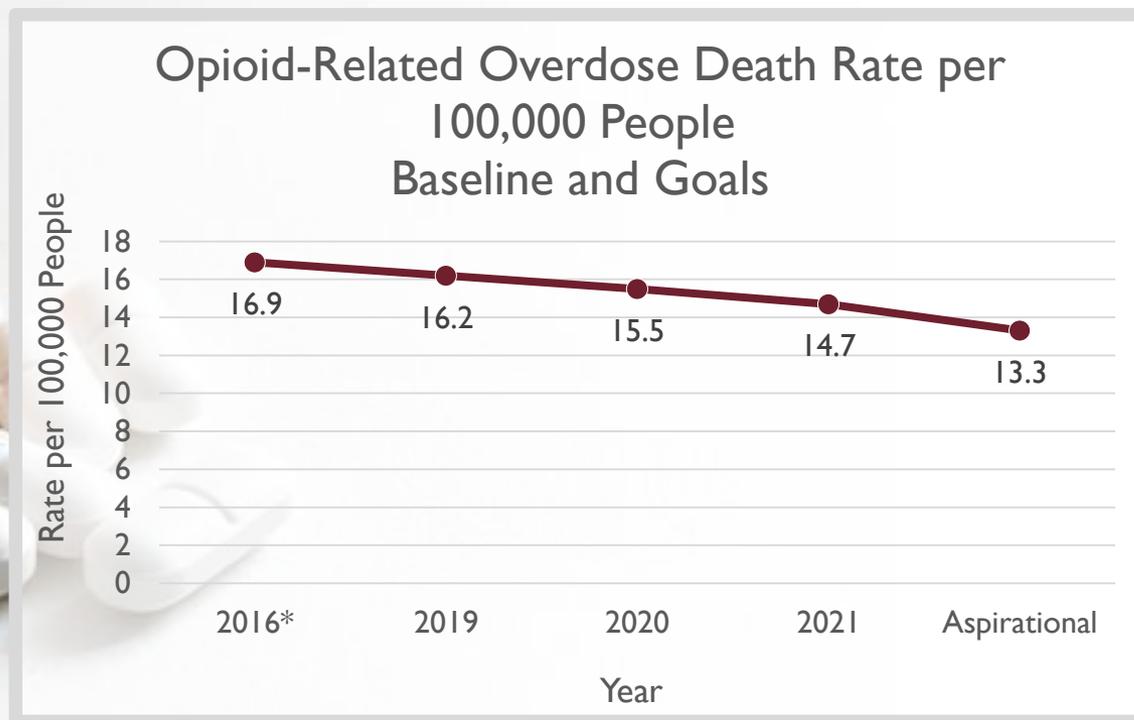
276

suspected overdose  
deaths in 2018 (as of  
December 3)

Record Total Number  
of Deaths in Delaware

**SUSPECTED OVERDOSES**

# QUALITY BENCHMARK FOR OPIOID-RELATED OVERDOSE DEATHS



\*WONDER, DCD

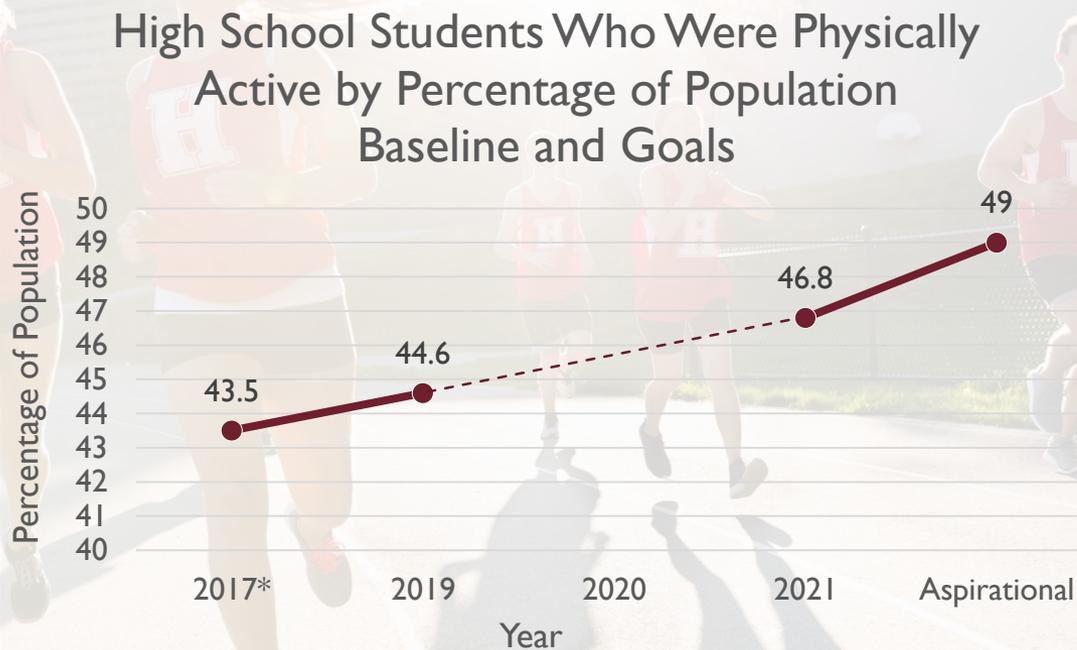
## QUALITY BENCHMARK FOR CONCURRENT USE OF OPIOIDS AND BENZODIAZEPINES

- Benchmark Values: Residents per 1,000 with overlapping prescriptions to be determined for 2020 and 2021 and for the aspirational benchmark after insurer data are obtained by the State during 2019.





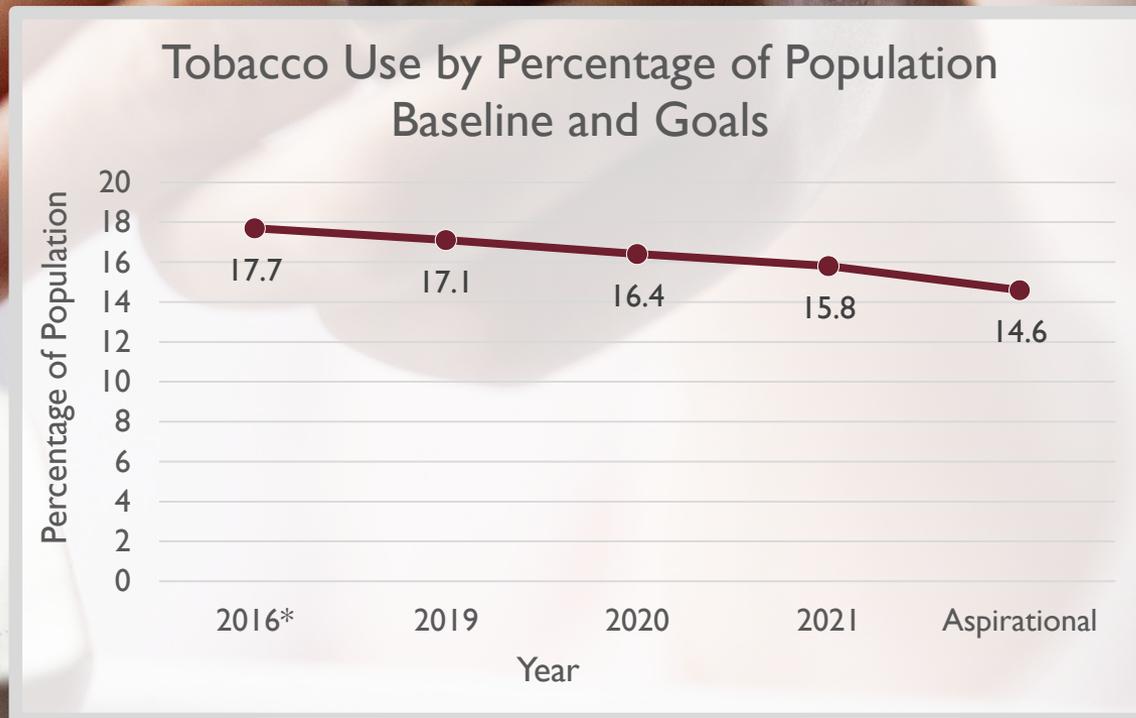
# QUALITY BENCHMARK FOR HIGH SCHOOL STUDENTS WHO WERE PHYSICALLY ACTIVE



\*Youth Risk Behavior Survey, CDC

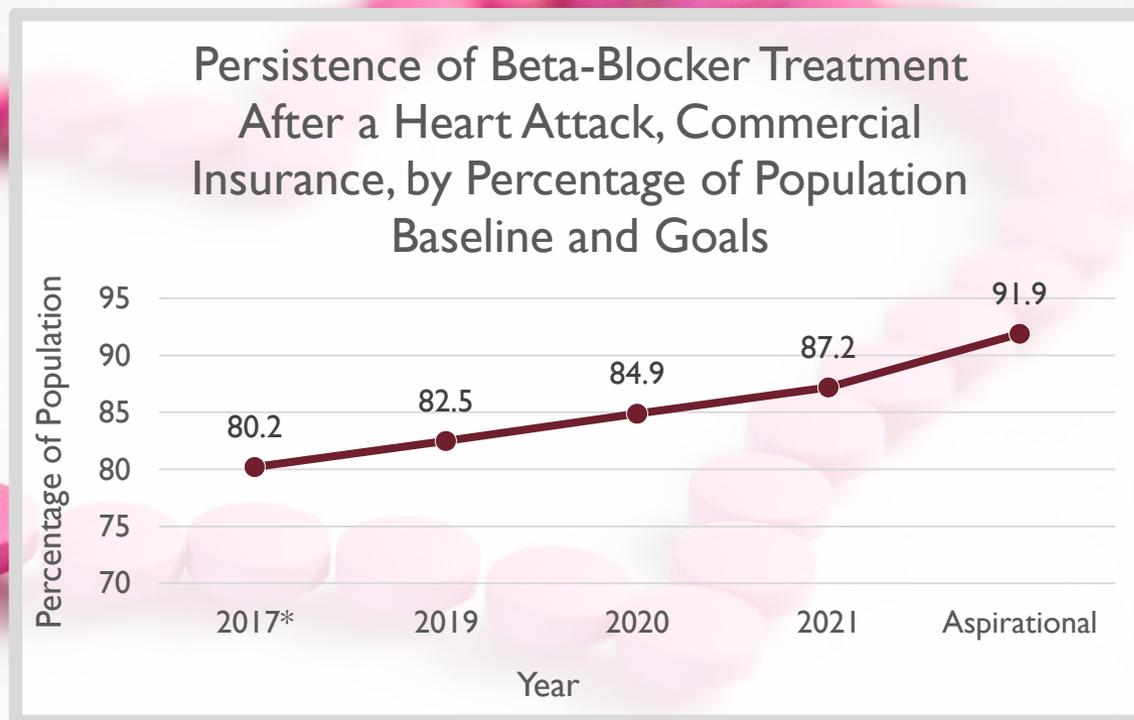
\*\*There is no benchmark for 2020 because there will be no data available to measure performance. The survey serving as the data source is administered by the federal government every other year.

# QUALITY BENCHMARK FOR TOBACCO USE



\*Behavioral Risk Factor Surveillance System, CDC

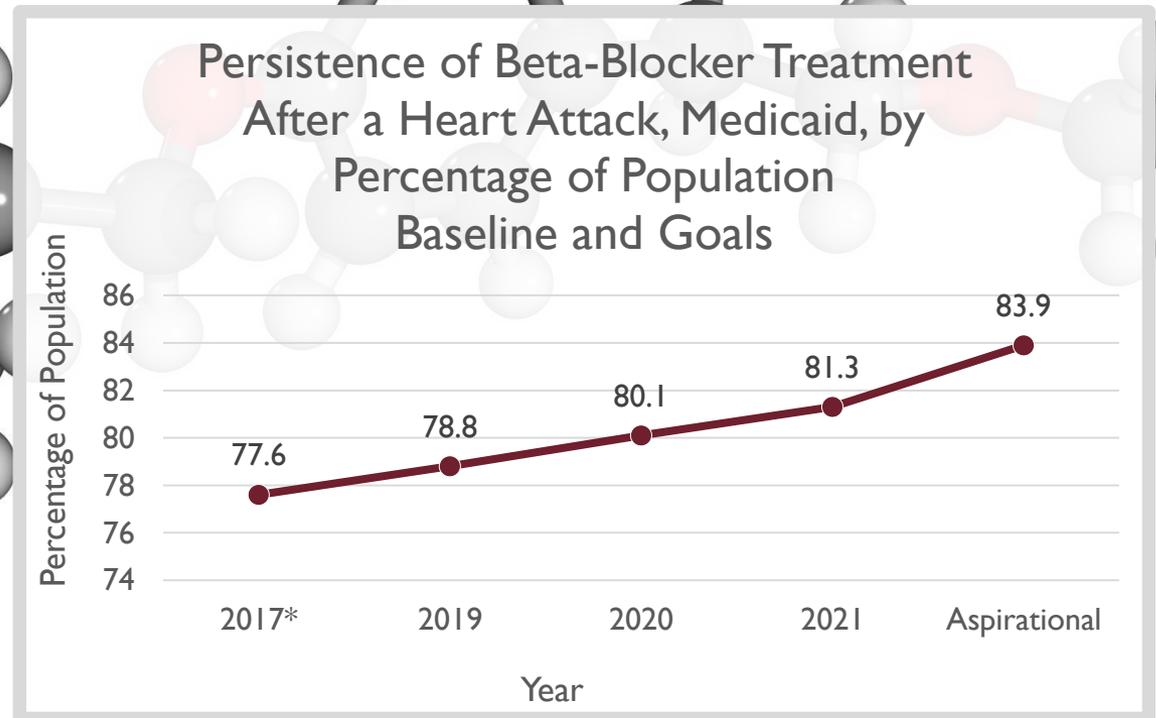
# QUALITY BENCHMARK FOR PERSISTENCE OF BETA-BLOCKER TREATMENT AFTER A HEART ATTACK—COMMERCIAL INSURANCE



\*NCQA Quality Compass

\*\*Delaware's baseline is Highmark's baseline rate, as Highmark was the only plan with commercial data available in NCQA's Quality Compass for HEDIS 2018.

# QUALITY BENCHMARK FOR PERSISTENCE OF BETA-BLOCKER TREATMENT AFTER A HEART ATTACK—MEDICAID

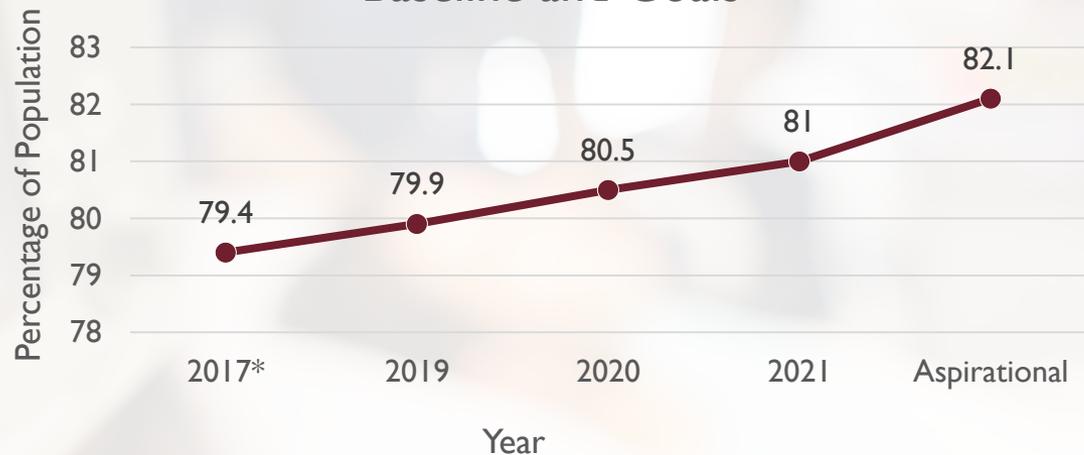


\*NCQA Quality Compass

\*\*Delaware's baseline is Highmark's baseline rate, as Highmark was the only plan with Medicaid data available in NCQA's Quality Compass for HEDIS 2018.

# QUALITY BENCHMARK FOR STATIN THERAPY FOR PATIENTS WITH CARDIOVASCULAR DISEASE— COMMERCIAL INSURANCE

Statin Therapy for Patients with  
Cardiovascular Disease, Commercial  
Insurance, by Percentage of Population  
Baseline and Goals

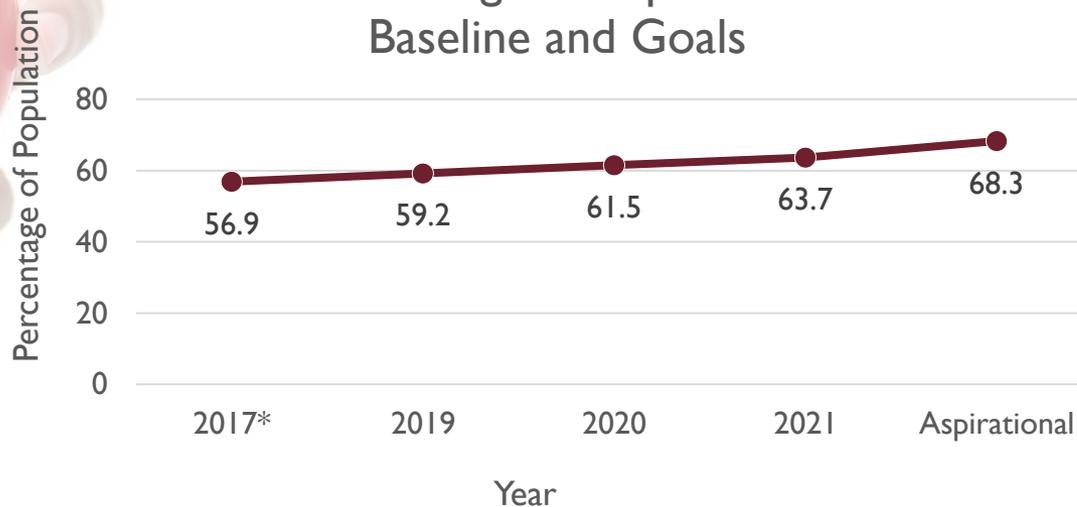


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# QUALITY BENCHMARK FOR STATIN THERAPY FOR PATIENTS WITH CARDIOVASCULAR DISEASE—MEDICAID

Statin Therapy for Patients with Cardiovascular Disease, Medicaid, by Percentage of Population Baseline and Goals



\*NCQA Quality Compass

\*\*Delaware's baseline is Highmark's baseline rate, as Highmark was the only plan with Medicaid data available in NCQA's Quality Compass for HEDIS 2018.

## HEALTH CARE BENCHMARKS: WHAT'S NEXT?

- **By Jan. 31, 2019:** DHSS Secretary will publish a technical manual with the methodology for the spending and quality benchmarks.
- **By May 31<sup>st</sup> of each year:** DEFAC will report to the Governor and the Health Care Commission on any changes to the spending benchmark approved by DEFAC.
- **4<sup>th</sup> quarter of each year:** HCC will report on the performance relative to the spending and quality benchmarks.
- **Ongoing:** HCC will engage providers and community partners in discussion -- with the State and each other -- about how to reduce variation in cost and quality, and to help the State perform well relative to each benchmark.

## LINKING STATE EMPLOYEE BENEFITS COMMITTEE AND THE BENCHMARK

- With statewide growth trends and quality targets in place, SEBC can use these targets as guidelines to develop specific growth trends and quality targets
  - Embedded in contracts
  - Updated strategic planning targets
  - Prioritize benefits design around primary care, emergency department utilization, opioid use, cardiovascular disease prevention
  - Consider tobacco cessation, obesity management, and cholesterol targets for specific to state employees



THANK YOU